

STATE OF CALIFORNIA
Budget Change Proposal - Cover Sheet
DF-46 (REV 08/17)

Fiscal Year 2018-19	Business Unit 4265	Department California Department of Public Health	Priority No.
Budget Request Name 4265-009-BCP-2018-GB		Program 4045 - PUBLIC AND ENVIRONMENTAL HEALTH	Subprogram 4045010 - CHRONIC DISEASE PREVENTION AND HEALTH PROMOTION

Budget Request Description
Alzheimer's Disease Program Grant Awards

Budget Request Summary

The California Department of Public Health (CDPH), Chronic Disease Control Branch (CDCB), Alzheimer's Disease Program (ADP) requests an expenditure authority increase of \$3.2 million in fiscal year (FY) 2018-19 (\$3.1 million General Fund and \$104,000 California Alzheimer's Disease and Related Disorders Research Fund) and \$2.9 million in FY 2019-20 and ongoing (\$3.1 million General Fund and a reduction of \$138,000 California Alzheimer's Disease and Related Disorders Research Fund). These resources will allow CDPH to fund research relating to the study of Alzheimer's disease and related disorders and fulfill contractual commitments.

Requires Legislation <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Code Section(s) to be Added/Amended/Repealed	
Does this BCP contain information technology (IT) components? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <i>If yes, departmental Chief Information Officer must sign.</i>	Department CIO	Date

For IT requests, specify the project number, the most recent project approval document (FSR, SPR, S1BA, S2AA, S3SD, S4PRA), and the approval date.

Project No. Project Approval Document: Approval Date:

If proposal affects another department, does other department concur with proposal? ☐ Yes ☐ No
Attach comments of affected department, signed and dated by the department director or designee.

Prepared By	Date	Reviewed By	Date
Department Director	Date	Agency Secretary	Date

Department of Finance Use Only

Additional Review: ☐ Capital Outlay ☐ ITCU ☐ FSCU ☐ OSAE ☐ CALSTARS ☐ Dept. of Technology

PPBA	Original Signed By: Phuong La	Date submitted to the Legislature JAN 10 2018
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BCP Fiscal Detail Sheet

BCP Title: Alzheimer's Disease Program Grant Awards

BR Name: 4265-009-BCP-2018-GB

Budget Request Summary

	FY18					
	CY	BY	BY+1	BY+2	BY+3	BY+4
Operating Expenses and Equipment						
5340 - Consulting and Professional Services -	0	-138	-138	-138	-138	-138
54XX - Special Items of Expense	0	3,357	3,115	3,115	3,115	3,115
Total Operating Expenses and Equipment	\$0	\$3,219	\$2,977	\$2,977	\$2,977	\$2,977
Total Budget Request	\$0	\$3,219	\$2,977	\$2,977	\$2,977	\$2,977

Fund Summary

Fund Source - State Operations						
0823 - California Alzheimers Disease and Related	0	-138	-138	-138	-138	-138
Total State Operations Expenditures	\$0	\$-138	\$-138	\$-138	\$-138	\$-138
Fund Source - Local Assistance						
0001 - General Fund	0	3,115	3,115	3,115	3,115	3,115
0823 - California Alzheimers Disease and Related	0	242	0	0	0	0
Total Local Assistance Expenditures	\$0	\$3,357	\$3,115	\$3,115	\$3,115	\$3,115
Total All Funds	\$0	\$3,219	\$2,977	\$2,977	\$2,977	\$2,977

Program Summary

Program Funding						
4045010 - Chronic Disease Prevention and Health	0	3,219	2,977	2,977	2,977	2,977
Total All Programs	\$0	\$3,219	\$2,977	\$2,977	\$2,977	\$2,977

A. Budget Request Summary

The California Department of Public Health (CDPH), Chronic Disease Control Branch (CDCB), Alzheimer's Disease Program (ADP) requests an expenditure authority increase of \$3.2 million in fiscal year (FY) 2018-19 (\$3.1 million General Fund and \$104,000 for the California Alzheimer's Disease and Related Disorders Research Fund (ADRDRF)) and \$2.9 million in FY 2019-20 and ongoing (\$3.1 million General Fund and a reduction of \$138,000 ADRDRF). These resources will allow CDPH to fund research relating to the study of Alzheimer's disease and related disorders and fulfill contractual commitments.

B. Background/History

The ADP was established pursuant to Assembly Bill 2225 (Chapter 1601, Statutes of 1984) and was expanded pursuant to Senate Bill 139 (Chapter 303, Statutes of 1988). The mission of ADP is to reduce the human burden and economic costs associated with Alzheimer's disease and related dementias, and ultimately to assist in discovering the cause and treatment of this disease. California has been a national leader in Alzheimer's disease research, and since 1985 the state has invested more than \$90.7 million in the California Alzheimer's Disease Centers (ADCs), which have leveraged the funds to raise more than \$544.5 million in federal and private research money (California State Plan for Alzheimer's Disease, 2011).

In 1987, the California Revenue and Taxation (R & T) Code was amended to authorize taxpayers to contribute amounts on their tax returns, in excess of any tax liability, and to establish a fund for research related to Alzheimer's disease (R & T Code Sections 18761-18766), which is administered by CDPH. From 1989 to 2009, the Alzheimer's Disease Research Awards were supported by both the State General Fund and the ADRDRF. In 2009, funding to the ADP was reduced, and the program discontinued State General Fund research activities. Today, the research awards are solely dependent on donations made by California taxpayers on their state income tax forms. Pursuant to R & T Code Sections 18761-18766, the ADP is authorized to award funds for Alzheimer's Disease and Related Disorders research.

The California Health and Human Services Agency's Alzheimer's and Related Disorders Advisory Committee (Committee) worked collaboratively with the ADP to assess the impact of the Alzheimer's Disease Research Awards and determine areas of research that should be highlighted in the 2016 grant cycle. In March of 2015, the ADP conducted a survey to assess the impact of the Alzheimer's Disease Research Awards funded through the ADRDRF with past grant recipients. The survey results and literature review were presented to the Committee, which made recommendations on potential research grant categories. With the rising prevalence of Alzheimer's disease diagnoses and the associated strain on families and services, the 2016 research grant cycle was refined and the ADP recommended that caregiving, biomarkers and early detection, epidemiology (risk and preventive factors) and health disparities areas of research should be given priority. The Committee provided input on the Request for Application (RFA) document, provided suggestions for the RFA review process, and ultimately approved these four categories of study. A request for application addressing the four areas of research was released and applications were reviewed and scored by an expert panel in each of the four areas. The seven most competitive proposals were chosen for awards, and there were 15 applicants that were not funded during this grant cycle due to limited availability of funding. Unfortunately, CDPH mistakenly awarded research grants, which exceeded budget authority for the ADRDRF during this grant cycle.

CDPH is taking internal systematic steps to prevent this error from reoccurring. CDPH is requesting a one-time increase in ADRDRF budget authority to spend an additional \$242,000 in Local Assistance for FY 2018-19 to honor the total research grant amounts. In FY 2019-20 and thereafter Local Assistance Budget Authority would return to \$539,000. Additionally, CDPH would like to reduce ADRDRF State Operations Budget Authority by \$138,000 in FY 2018-19 and annually thereafter, to align expenditures with revenue projections.

Analysis of Problem

The ADRDRF will sunset on December 1, 2020. This investment furthers CDPH's commitment to improving health outcomes and reducing disparities in California and is consistent with Let's Get Healthy California's goals of achieving better health, better care, and lower costs and promoting health equity for all Californians. The additional \$3.115 million ongoing Local Assistance General Fund authority for research will allow the ADP to enhance these efforts, which are presently funded solely by the ADRDRF.

By 2025, the population size of those aged 60 and older is projected to match the 0-19 aged population (both roughly 10 million), placing unprecedented demands on the shrinking workforce as the aging population swells. With age being the greatest risk factor for Alzheimer's, California is on track for a 33 percent increase in the population affected in less than a decade.

Resource History (Dollars in thousands)

Program Budget	2012-13	2013-14	2014-15	2015-16	2016-17
Authorized Expenditures*	\$784	\$772	\$783	\$791	\$781
Actual Expenditures	\$147	\$703	\$732	\$581	\$662
Revenues	\$381	\$419	\$503	\$517	\$293
Authorized Positions	0	0	0	0	0.5
Filled Positions**	0	0	0	0.5	0.5
Vacancies	0	0	0	0	0

*Authorized Expenditures reflect combined Authority for Local Assistance and State Operations

**CDPH redirected 0.5 to State Operations to oversee research grants

Workload History

Workload Measure	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
Number of previously, new and existing awarded research grants for Alzheimer's Disease and related disorders research	5	5	5	5	7	7

C. State Level Considerations

This proposal would allow CDPH to meet its obligations to pay grantees based on the agreed upon amount of their 2016 agreements, protect CDPH's investment of taxpayer funds, and fulfill CDPH's commitment to improving health outcomes and reducing disparities in California. A reduction in State Operations Budget Authority allows CDPH more flexibility in disseminating research grants and is consistent with actual expenditures. Additional Local Assistance General Fund authority will allow CDPH to improve and enhance its current Alzheimer's research program, and to identify research priority areas to be informed by surveys and literature regarding the rising prevalence and projected increases of Alzheimer's in the population over the next five to ten years.

D. Justification

Approval of this request will allow CDPH to have a one-time increase in ADRDRF Local Assistance authority from \$539,000 to \$781,000 in FY 2018-19 and allow CDPH to meet its obligation to pay Alzheimer's disease research grants awarded in 2016.

Analysis of Problem

Approval of this request will also add \$3.115 million General Fund for Local Assistance to support research and allow for an expansion of the current research priorities, which CDPH is not currently able to fund due to limited resources for Alzheimer's research. This investment will allow the ADP to expand areas of focus for research that contributes to better understanding of causes and care for patients, as well as support for families impacted by Alzheimer's disease and other related disorders.

E. Outcomes and Accountability

In 2016, the ADP awarded 7 new research grants that contribute to the better understanding, care, and support of patients and families affected by Alzheimer's disease and related disorders. Additionally, the ADP allowed a no-cost extension to one previous grantee to move funds from FY 2015-16 to FY 2016-17 in order to complete their project. These 7 current grants focus on four areas of research including caregiving, biomarkers and early detection, epidemiology (risk and preventive factors), and health disparities. These projects include 1) Plasma Neuronal Pentraxins as Markers of Synaptic Dysfunction in Alzheimer's disease, 2) Pilot Test and Evaluation of Online Multi-Component Support Program for Caregivers of Adults with Alzheimer's Disease and Related Dementia, 3) Late Life-Span Use of Alcohol: Prospective Effects on Dementia Risk and Cognitive Functioning, 4) Cognitive Decline in Hispanic versus Non-Hispanic Alzheimer Caregivers, 5) Diagnostic and Prognostic Test for Alzheimer's Disease, 6) Elucidating Effects of Alzheimer's Caregiving using the Brain Health Registry, and 7) Lipopolysaccharide and Bacterial Molecules in Alzheimer's Disease Brains.

The ADRDRF, since its inception in 1988, has provided more than \$22 million for over 125 research projects. These projects have led to an advancement of knowledge regarding Alzheimer's Disease and Related Dementias, either in the academic or research field and to clinical implementation, including new treatment methodologies, or new detection and diagnosis innovations. Significant breakthroughs have been made possible by the funding, including: identifying a novel specific plasma biomarker for Alzheimer's disease; laying the foundation for improvements in differential diagnosis and training; and, providing the first definitive evidence that amyloids related to Alzheimer's disease, as well as other amyloid-related neurodegenerative diseases form ion channels that underlie basic pathophysiological abnormality. By continuing to fund the current research projects, further breakthroughs and key research can be continued and expanded through the ADP.

Projected Outcomes

Workload Measure	2017-18	2018-19	2019-20	2020-21
Number of current and new research grants awarded for Alzheimer's Disease and related disorders research	7	13	11	11

F. Analysis of All Feasible Alternatives

Alternative 1: Increase ADRDRF Local Assistance Budget Authority from \$539,000 to \$781,000 in FY 2018-19; reduce State Operations Budget Authority by \$138,000 in FY 2018-19 and annually thereafter in the ADRDRF (Fund 0823). Additionally, increase Local Assistance by \$3.115 million General Fund in FY 2018-19 and ongoing to support Alzheimer's research.

Pros:

- Allows program more flexibility in disseminating research grants.
- Maintains current grant award levels for grantees.
- Allows CDPH to improve the current Alzheimer's research award program.
- Supports CDPH's vision to promote healthy individuals and families in healthful communities and its mission to optimize the health and well-being of the people in California.
- Addresses stakeholder concerns to address research for Alzheimer's and related dementias.

Analysis of Problem

Cons:

- Increases ADRDRF Local Assistance budget authority.
- Increases General Fund budget authority.

Alternative 2: Amend current grants to add a 4th year (no cost extension) and maintain current funding levels. No change in budget authority needed for the California Alzheimer's Disease and Related Disorders Research Fund (Fund 0823). Do not include \$3.115 million of Local Assistance General Fund budget authority.

Pros:

- Maintains grant awards through an extended period and grantees will continue to receive their total grant awards.
- Corrects the issue of exceeding local assistance budget authority.
- Does not impact the General Fund.

Cons:

- Would likely slow the research work of grantees.
- Fewer grants awarded in FY 2019-20.
- May create additional workloads for grantees.

Alternative 3: Do not change budget authority for the ADRDRF. Do not include \$3.115 million General Fund for Local Assistance.

Pros:

- Both Local Assistance and State Operations appropriations will remain the same.
- Does not impact the General Fund.

Cons:

- CDPH is unable to effectively maximize research for Alzheimer's disease through flexibility to use additional funds for research.
- A significant grant reduction to each grantee may cause the project(s) to close.
- The cost of Alzheimer's disease and the caregiver burden to California will continue to increase due to the rapid increase of Alzheimer's in the population.

G. Implementation Plan

N/A

H. Supplemental Information

N/A

I. Recommendation

Approve Alternative 1: Increase ADRDRF Local Assistance Budget Authority from \$539,000 to \$781,000 in FY 2018-19; reduce State Operations Budget Authority by \$138,000 in FY 2018-19 and annually thereafter, for the ADRDRF. Additionally, increase \$3.115 million General Fund for Local Assistance in FY 2018-19 and ongoing to support Alzheimer's research.